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# Insights into job attachment during the pandemic

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**Source:** Labour Force, Australia, October 2021

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### What is 'Job attachment'?

'Job attachment' refers to whether someone has a job that they are connected to.

### Are all people with job attachment employed?

Whether someone has a job is one of a number of elements used by the ABS to determine whether someone is employed or not, together with whether they have worked an hour or more (or whether they were temporarily absent from work) and whether they have been paid. For more on how the ABS defines someone as employed, refer to the <u>Glossary (/ methodologies/labour-force-australia-methodology/oct-2021#glossary)</u>.

Given employment is determined using multiple criteria, it is possible for someone to have

attachment to a job without necessarily being employed. Prior to the pandemic, there was a relatively small number of people each month who had attachment to a job but were not considered to be employed. These people are comprised of two groups:

- 1. People who have a job that they are away from without pay for more than a month (eg. people on unpaid parental leave).
- 2. People who have a job but haven't started (or restarted) in it yet (who are categorised as either unemployed or not in the labour force according to their current availability to work and when the job could begin).

For more on how the ABS categorises people outside of employment, see the ABS release on 'Potential workers (/statistics/labour/employment-and-unemployment/potential-workers/latest-release)'.

# Why is it useful to consider job attachment during the pandemic?

Unlike major economic shocks in the past, the current pandemic period has been characterised by a much greater number of people losing hours than people losing jobs. 'Insights into hours worked (/articles/insights-hours-worked-october-2021)', which the ABS has published since March 2020, has highlighted the extent to which people have remained attached to a job but worked reduced or no hours around lockdowns and other restrictions.

Beyond more employed people working reduced hours, there have also been high numbers of recently employed people who have been without work and pay for extended periods of time. These people have dropped out of the employed population, but some have remained attached to a job.

Looking at people outside of employment who have job attachment is useful for a number of reasons, including:

- 1. To understand some of the changes in labour force participation around lockdowns and other restrictions, given some people with an existing job may not actively look for another job, unless required to (in addition to the limited ability for people to work or actively look for work).
- 2. To gauge the extent to which people who are not employed have a job and may be able to return to employment as restrictions ease and more usual economic activity resumes.
- 3. To understand the nature of impacts on people, according to whether they have lost their connection to their employer or business.

### People who were not employed and had job attachment

Chart 1 shows that, in March 2020, there were 190,000 people who considered that they had a job that they were attached to but who weren't employed (ie. they were either categorised as unemployed or not in the labour force). This followed the regular seasonal peak in January.

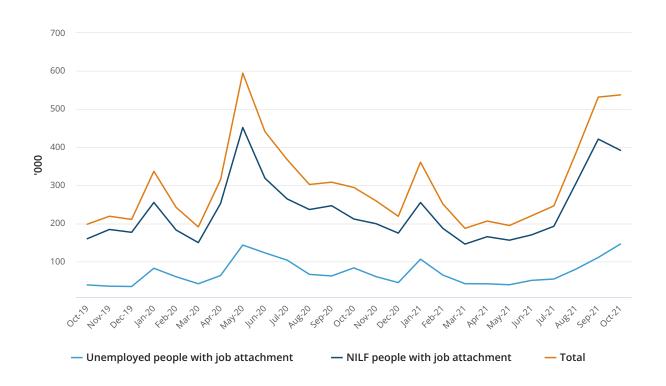
This rose to 314,000 people in April 2020 and 594,000 people in May 2020. It subsequently fell from May 2020, as some people with job attachment lost their job and others returned to work, and was back at pre-pandemic levels during the first half of 2021. The number again rose sharply around the Delta lockdowns, to 385,000 in August 2021 and 531,000 in September 2021.

Of the extra 404,000 people outside of employment who had an attachment to a job between March and May 2020, around three-quarters (74.9%) were not in the labour force and around a quarter (25.1%) were unemployed. This partly reflects that lockdowns and other restrictions impact on people's ability to look for work and be available for work, but also that some people may be less likely to look for another job if they still have one (or perceive that they still have one).

This helps to explain why the participation rate changed rapidly early in the pandemic, with the extra 404,000 people (three-quarters of whom were not in the labour force) accounting for around 49.7% of the net fall in employment between March and May 2020.

A similar effect was evident during the recent Delta variant lockdowns. Between May and September 2021, there were an additional 337,000 people outside of employment who had an attachment to a job, the majority of whom were not in the labour force.

Chart 1: Not employed people with job attachment, Original

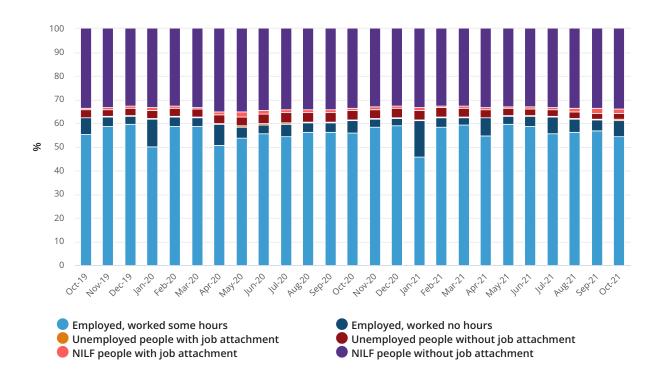


### Share of the working age population

Chart 2 shows the relative size of these groups as a share of the usually resident civilian population aged 15 years and over. Prior to the pandemic, unemployed people with job attachment usually accounted for around 0.2% of the population, and this rose to a peak of around 0.7% in May 2020. People not in the labour force with job attachment was around 0.8% of the population before the pandemic and rose to a peak of 2.2% in May 2020.

Chart 2, like all graphs in this release, is an interactive graph. To focus on particular series, simply select or deselect the series of interest.

Chart 2: Population by Labour force status, Original



Source: Labour Force, Australia Data Cube EM2a and Longitudinal Labour Force, Australia

# Comparing changes in job attachment with employment and participation

Given all employed people have job attachment, it is possible to produce a measure of all people in the population with job attachment.

Chart 3 shows the proportion of the population with job attachment through the pandemic and compares it with the employment-to-population ratio and the participation rate. It shows that during periods of major lockdowns and other restrictions there is a larger aggregate impact on employment than on the number of people who have jobs.

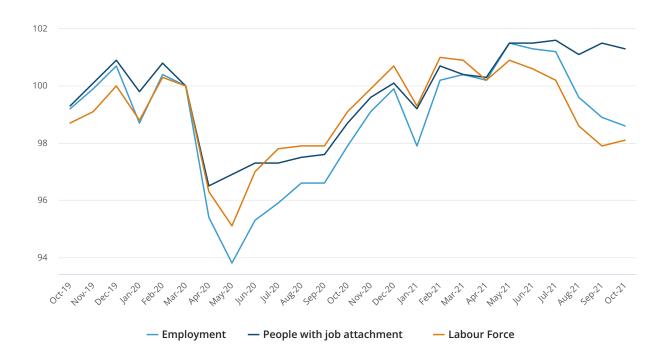
Chart 3: Employment, job attachment and participation through the pandemic, Original



Source: Labour Force, Australia Table 1 and Longitudinal Labour Force, Australia

This is further highlighted in Chart 4, which shows indexed changes in these three population groups, rather than the rates. The number of employed people fell by 6.2% between March and May 2020 and the labour force (which includes all employed and unemployed people) fell by 4.9%. In comparison, the number of people in the population who considered they were attached to a job fell to a smaller extent, down by 3.1%.

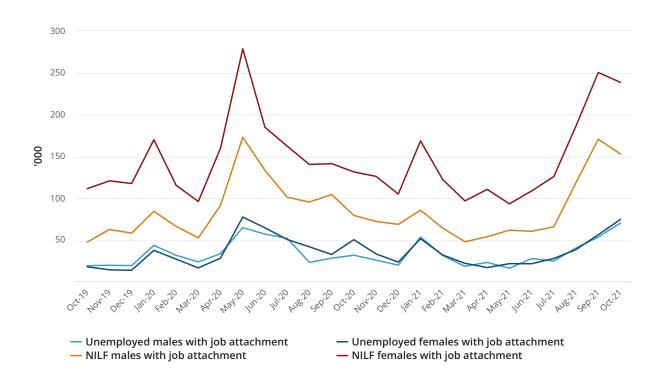
Chart 4: Change in employment, people with job attachment and labour force index, Original (March 2020 = 100.0)



#### Sex

Chart 5 shows similar patterns for men and women during the pandemic. There are always more women who are not in the labour force with job attachment than men, which partly reflects women being more likely to be on (or returning from) periods of extended unpaid leave (particularly parental leave). The number of unemployed people with job attachment was similar over the pandemic for men and women.

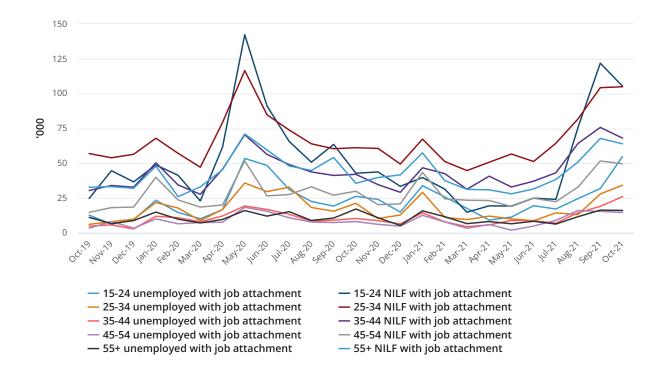
Chart 5: Not employed people with job attachment, Original



### Age

Younger workers have generally been more impacted by changes in employment and hours during the pandemic. Chart 6 shows that this has also been reflected in elevated levels of young people with job attachment who were not employed, which were more pronounced than for people in the older age groups.

Chart 6: Not employed people with job attachment by Age, Original

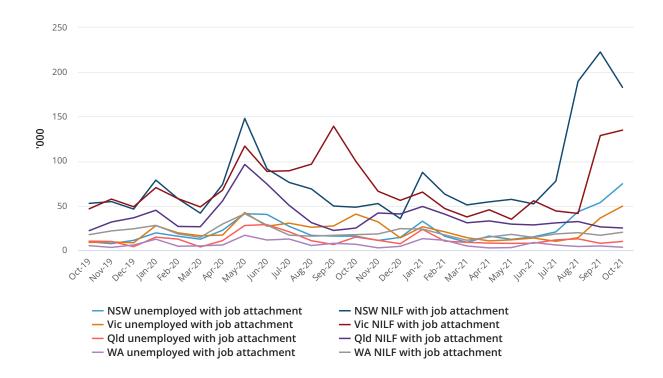


### States and territories

Charts 7a and 7b show the increases in the number of people with job attachment who were not employed, around lockdowns and other restrictions.

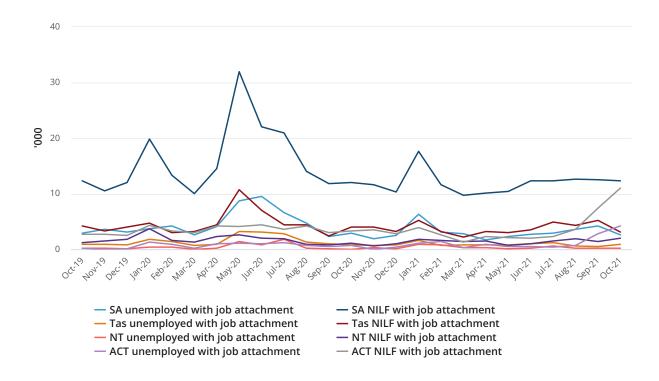
Increases were observed nationally early in the pandemic (reaching a peak in May 2020), in Victoria during the second wave impacts (peaking in September 2020), and then in the South East of Australia during the lockdowns associated with the Delta variant (peaking in September 2021 in NSW, and October 2021 in Victoria and the ACT).

## Chart 7a: Not employed people with job attachment by State, Original



Source: Longitudinal Labour Force, Australia

### Chart 7b: Not employed people with job attachment by State, Original



Source: Longitudinal Labour Force, Australia

For further information, email <a href="mailto:labour.statistics@abs.gov.au">labour.statistics@abs.gov.au</a> (mailto:labour.statistics@abs.gov.au).